



U.S. Department of Justice

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PRESS RELEASE

FOR IMMEDIATE RELEASE

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CHECKMATE FINANCIAL, INC., DEFENDANT PLEAD GUILTY TO CONSPIRACY TO COMMIT MAIL AND WIRE FRAUD

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Henry Gutierrez, Postal Inspector in Charge, United States Postal Inspection Service, announced that defendant **Chester Potash** entered a guilty plea today in Miami Federal District Court to one count of an Indictment pending against him, charging conspiracy to commit mail and wire fraud.

The defendant faces a maximum statutory term of imprisonment of twenty (20) years, a possible fine, and mandatory restitution. Sentencing is scheduled for September 14, 2006 before United States District Court Judge Cecilia M. Altonaga in Miami, Florida.

According to the Indictment, which was filed on March 23, 2006, Potash and others solicited investments through CheckMate Financial, Inc., to support a supposed mobile check cashing operation. The Indictment alleges that Potash and others fraudulently induced investors around the country to invest in CheckMate Financial. Potash and others misrepresented that CheckMate Financial had at least one mobile check cashing unit that was in operation cashing checks in Florida, when CheckMate Financial did not have a mobile check cashing unit that was in operation cashing checks in Florida, or anywhere else, according to the charges.

According to the Indictment, potential investors were told that CheckMate Financial had numerous routes in operation for a mobile check cashing unit to cash checks at places such as construction sites, hospitals, cruise ships, and large factories to provide onsite payroll check cashing benefits for employees at these places using the mobile check cashing unit(s). The Indictment alleges that CheckMate Financial did not have an operational mobile check cashing unit nor did CheckMate Financial have a license from the State of Florida to cash checks. The

Indictment charges that CheckMate Financial sales representatives told investors that they would earn a substantial return on their investment from CheckMate Financial's check cashing operations.

CheckMate Financial promoted the investment opportunity across the country through unsolicited telephone calls to potential investors. Potash and others fraudulently induced investors to invest a total of more than \$2.5 million in CheckMate Financial, according to documents filed in connection with Potash's guilty plea.

Chester Potash served as CheckMate Financial's President and Chief Financial Officer. The indictment charges that his role included, among other things, making material misrepresentations to induce individuals to invest in CheckMate Financial.

Chester Potash is the third defendant to plead guilty in this case. On April 4, 2006, Ronald Sloan pled guilty to one count of conspiracy to commit wire fraud. On June 30, 2006, Ronald Sloan was sentenced to 63 months in prison. On June 15, 2006, Melvin Webman pled guilty to one count of conspiracy to commit mail and wire fraud. Melvin Webman is scheduled to be sentenced on August 24, 2006.

Mr. Acosta commended the investigative efforts of the United States Postal Inspection Service. This case is being prosecuted by Jeffrey Steger, Trial Attorney, United States Department of Justice, Office of Consumer Litigation.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at www.usdoj.gov/usao/fls. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or on <http://pacer.flsd.uscourts.gov>.

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